

PUBLIC HEARING SIGN-UP SHEET

DATE/TIME: Sept. 21, 2009 @ 6:00 PM

STAFF: CC, JC, LHK, LK, SI

CITY/ISLAND: Pahoa, Hawaii

Ct. Rptr: _____

PLACE/ADDRESS: Keonepoko Elem. School Cafeteria, 15-890 Kahakai Blvd., Pahoa

DKT.NO./APPLICANT: Dkt. No. 2009-0161, Hawaiian Beaches Water Company, Inc.

SUBJECT: Application for Approval of Rate Increases; and Revised Rate Schedules

(PLEASE PRINT)

	NAME	ORGANIZATION/ADDRESS
1.	Kate Prescott	Hawaiian Beaches Water Company
2.	Catherine Awakuni	Division of Consumer Advocacy
3.	TIMOTHY SWEENEY	15-2707 HOANO ST. PAHOA RATEPAYER
4.	Tracy Gonzales	15-2707 Opae ST Pahoa
5.	Philip A Wilson	15-450 Kahokai Blvd

	NAME	ORGANIZATION/ADDRESS
6.	Kim Tafua 15-2681 Mano St.	
7.	Paula Bruckner 15-2694 Mano St.	* Did Not Testify
8.	ROBERT AZEVEDO	15-2689 KAKU ST. PAHOA, HI
9.	CHUCK FREDDO	15-2756 Mahimahi St Pahoa HI 96778
10.	DELBERT SNIEDER - JR	
11.	KEALOHA PAUOLE (Kimo)	
12.	Michelle Starosky	

	NAME	ORGANIZATION/ADDRESS
13.	JOAN CARROLL	
14.	VINCENT ORTIZ	
15.	JEFF SKVA	
16.	Philip Wilson (Second time)	
17.	Timothy Sweeney (Second time)	
18.	Kim Tafua (Second time)	
19.	WAYNE D. BURLEY	

	NAME	ORGANIZATION/ADDRESS
20.	Michelle Starosky (second time)	
21.	Delbert Snedeker Sr. (second time)	
22.	Candace Martin	
23.	KEVIN BAUGHMAN	
24.	Tracy Gansalves (second time)	* Did not testify
25.		
26.		

**PUBLIC UTILITIES COMMISSION
PUBLIC HEARING ON
HAWAIIAN BEACHES WATER COMPANY, INC.'S RATE APPLICATION
Docket No. 2009-0161**

**Public Hearing Testimony of Kate Prescott
President of Hawaiian Beaches Water Company, Inc.
September 21, 2009**

Good evening. My name is Kate Prescott. I am President of Hawaiian Beaches Water Company, Inc. ("Hawaiian Beaches" or the "Company"). Also present with me tonight is my brother, Mark Prescott, who is Hawaiian Beaches' Vice President. I am here tonight to speak in connection with our rate case application, filed on July 17, 2009. I would like to thank the Public Utilities Commission for holding this public hearing and the Consumer Advocate and our customers for their attendance tonight.

Hawaiian Beaches is a public utility authorized by the Commission to provide water utility services within the Hawaiian Beaches Subdivision area since 2007, when it assumed and succeeded all of Miller and Lieb's interests. Unlike many other water utilities, which are often controlled by either developers or large national companies, Hawaiian Beaches is a family owned operation. We currently serve approximately 1,100 customers, nearly all of whom are residential customers.

Hawaiian Beaches is seeking a net revenue increase of \$310,302, or an approximate 48.6% increase over present revenue rates. The proposed change

in rates, if approved by the Commission, will allow us to better serve all customers and the Hawaiian Beaches community and continue providing the necessary water utility services and a system that is both safe and reliable.

The Commission sets water rates and decides whether an increase is warranted based on an analysis of a utility's operations and finances. In coming up with its rates, a utility is allowed to recover all its reasonable operating and maintenance costs. This would include such costs as electricity, labor, , insurance, repairs, chemicals and supplies.. A utility is also allowed to earn a return on the facilities and equipment which are used in providing utility service to customers. An example of this is the new storage tank and well we installed. Another item that makes up the rates is the depreciation we take on our facilities and equipment. The Commission, in reviewing a utility's request for a change in rates, carefully reviews all expenses as well as investments made to ensure the company is run in the most prudent and economical manner possible, consistent with the utility's obligations to provide safe and reliable service.

Hawaiian Beaches is requesting that the Commission approve its proposed change in rates, because a revenue increase is needed to help us keep pace with rising operating costs and to recover expenses incurred for capital improvements. As you may be aware, in the past two years since taking over Miller and Lieb, we have made substantial infrastructure improvements, including constructing and installing a new water well and storage tank, which upgraded

safety protection controls and increased storage capacity by 330,000 gallons. We replaced old meters and completed new meter installations for all customers who previously had no meters. We also installed various emergency equipment upgrades. We re-plumbed an existing tank, which will ensure proper treatment of water and help to prevent service disruption during maintenance and in emergencies. And, we purchased a back up generator capable of running the system at full capacity for extended lengths of time, if necessary, during power outages.

The proposed change in rates will also establish a volumetric or monthly water consumption charge, which, in the interest of fairness to all customers, will reduce or eliminate any subsidy being provided by existing lower usage customers. In other words, while certain high volume water users may experience an increase in their water charges, lower usage customers will actually see a decrease in their water bills from this change in rates.

We understand that no one looks forward to an increase in the rates they are charged. However, we do ask that you consider the need for Hawaiian Beaches to recover our reasonable costs in running our operation to allow us to continue to invest in what is needed to ensure our ability to continue to provide you with water service in a safe and reliable manner.

The Commission and the Consumer Advocate will closely analyze and review our request for a change in rates. We look forward to working with these agencies, as well as our customers and the Hawaiian Beaches community, in explaining and supporting our proposal and addressing any concerns. We are committed to serving our customers to the best of our abilities and ensuring fair rates, and trust that the result of this regulatory process will be the development and implementation of both fair rates and a reasonable rate design for our customers.

We thank you all for your attendance at this public hearing tonight, and we hope that your concerns can be addressed through this regulatory process. In addition, for those of you who may not have had the opportunity to review our rate increase application, a copy of our application continues to be available for public inspection at our main office located at 15-966 Punawai Street. You may also call me directly at 965-9882 or email me at kateprescott78@hotmail.com.

We appreciate the opportunity to make this presentation. Please have a good evening and a safe drive home.

Kate Prescott, on behalf of
Hawaiian Beaches Water Company, Inc.

**PUBLIC HEARING
HAWAIIAN BEACHES WATER COMPANY, INC.
DOCKET NO. 2009-0161**

**Presentation of Catherine P. Awakuni, Executive Director
Division of Consumer Advocacy
Monday, September 21, 2009, 6:00 P.M.
Keonepoko Elementary School Cafeteria**

Good evening Chairman Caliboso, Commissioner Cole, and Commissioner Kondo.

I am Catherine Awakuni, Executive Director of the Division of Consumer Advocacy ("Consumer Advocate"). The Consumer Advocate represents the interests of the consumers in public utility matters. I am here this evening to listen to the consumers' comments and concerns regarding Hawaiian Beaches Water Company, Inc.'s ("Hawaiian Beaches") request for approval of rate increases and revised rate schedules.

The Consumer Advocate's role is to represent the interests of all Hawaii consumers of public utility services by advocating for reliable utility services at reasonable customer costs. To do this, the Consumer Advocate is taking an independent look at Hawaiian Beaches' request for Public Utilities Commission ("Commission") approval of its rate increases. We will confirm whether there is a need for the proposed rates and whether the rates proposed are necessary to ensure the provision of reliable service. After completing our review, we will file a statement of position with the Commission explaining our analysis and recommendations. At this time, the Consumer Advocate has not completed its analysis and is not able to state its position on the merits of Hawaiian Beaches' request this evening.

Since the Commission will ultimately decide whether to allow Hawaiian Beaches to proceed with its request, we encourage the public to express their opinions to the Commission regarding Hawaiian Beaches' proposal. Your input is important because only

you can tell us what effect the company's proposal may have on you and the businesses you may represent.

As we move forward, please feel free to contact the Consumer Advocate's office at anytime to share your thoughts, concerns, and questions regarding this or any other utility matter.

Thank you for the opportunity to make this presentation.

Contacts for the Division of Consumer Advocacy:

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